

Kentucky Agricultural Development Board

Meeting Minutes

December 21, 2001

The Kentucky Agricultural Development Board met on Friday, December 21, at 12:00P.M., in the Brown-Forman Room of the Kentucky History Center. Commissioner Billy Ray Smith, Vice Chairman, called the meeting to order, and the secretary called the roll.

Members Present:

Commissioner Billy Ray Smith, Vice Chairman; John-Mark Hack, Executive Director; Vickie Yates Brown; Larry Clay; Sam Lawson; Dean Scott Smith; Sam Moore; Willa Poynter; Eddie Sellers; Mike Slaughter; and Smith Mitchell designee for Secretary Gene Strong.

Members Absent:

Governor Paul E. Patton; Daniel Case; Seth Conner; Susan Harkins; and Wayne Hunt.

Legislative Guests:

Representative Charlie Hoffman

Others Present:

Sharon Burton, The Farmer's Pride; Brad Wellons and Biff Baker, Legislative Research Commission; Steve Muntz, Heifer Project International; Jess Sams; Larry Jones, University of Kentucky; Amy McCowan, Martin Richards, Ed Nelson, Deborah Webb, John Logan Brent, Carol Gundersen, Cait McClanahan, Tribby Vice, Sheri Arms, Lynn Chaney, And Amber Arms, Community Farm Alliance; Harvey Mitchell and Mark Farrow, Kentucky Department of Agriculture; Tracy Webb, Commodity Grower's Cooperative; Pat and Dan Hull; and Carolyn Kenton, Ken Myer Farms.

Staff Present: David Bratcher, Penny Cline, Gordon Duke, Sandra Gardner, DeVon Hankins, Jeff Harper, Rhodes Johnston, Kara Keeton; Bill McCloskey, Chauncey Morris; Jeff Mosley, Joel Neaveill, Lisa Thomas, Kim Tompkins, Angela Utterback; and Stephen Yates.

Notification of Media:

Commissioner Smith received confirmation from John-Mark Hack that a media release regarding the Agricultural Development Board (ADB) meeting was sent.

Minutes of December 21, 2001 Meeting:

The minutes were approved as presented.

Executive Director's Report:

John-Mark Hack, Executive Director, reviewed the day's agenda.

Mr. Hack discussed the Agricultural Development Fund Balance sheet. The handout reflected an available balance for fiscal year '01 funds of \$3,477,416.00 State Funds; and \$2,765,876.68 County Funds. Upon receipt of the budgeted funds for fiscal year '02, and after the deduction of the line item expenses from the state funds, the FY '02 balance is \$26,450, 416.00 State Funds; and \$24,045,876.68 County Funds.

The Director advised that six public forums were held around the state to gather comments on the draft document of Kentucky's Long-Term Plan for Agricultural and Rural Development. He stated that feedback received at the meetings and in writing, had been positive and substantial. Mr. Hack suggested that board members review their calendars and determine an agreeable date for a 1.5-day January board meeting, to finalize "The Plan" and conduct their regular monthly business. After discussion, January 17 & 18 we set as the dates for the January meeting.

Next, the Director advised board members that in an effort to stimulate project applicants in the most tobacco impacted counties; ADB staff will conduct outreach workshops to assist applicants with completion of project applications. The first workshop was held in Maysville on December 11.

On December 27, Governor Patton will hold a press conference on a Shelbyville farm to announce the release of the Phase II Fund disbursements, which will be mailed on December 28. This particular farmer used his 2000 Phase II payment as a 50% match to participate in the Phase I Shelby County Cattle Handling Facilities Program.

Finally, Mr. Hack commended the members for their tremendous investment of time and energy to the ADB in the past year. He invited board members to a reception, immediately upon adjournment, in the GOAP conference room prepared for board members by GOAP staff.

Tobacco Study RFP:

Jeff Mosley reminded members of the \$100,000 that was approved at the November 1, special called meeting, to fund a tobacco study. Mr. Mosley advised that the RFP was advertised; however, no responses were received. Board members discussed the issue and asked Mr. Mosley if he was aware of the reason behind the lack of interest. He suggested that possibly the short timeframe for the request could have impacted responses to the RFP.

Commissioner Billy Ray Smith stated that lots of groups were discussing the situation of the tobacco industry and researching resolutions to the various issues involved.

Mr. Moore suggested that the ADB wait on the resolutions proposed by the other groups before pursuing another study.

Mike Slaughter stated that the tobacco industry is not stable at this time and suggested that the ADB postpone the study.

Mr. Moore moved with a second from Mike Slaughter that the study be tabled. The motion passed without objection.

Referral of Project Proposals:

Sam Moore moved with a second from Larry Clay that projects numbered 776-865 be referred to Project Review Committees. The motion passed without objection.

Project Review Committees' Reports:

Sam Lawson & Vickie Yates Brown presented the Committees' reports. The Review Committees met on December 14, and made the following recommendations:

Approved Programs:

Vicki Yates Brown stated that the Committees' recommended funding for the following Programs:

Cattle Handling Cost Share Program.

Appl .	County	Project Name	CountyFunds	StateFunds	ProgramorDescription
236	Adair	Adair County Cattlemen's Association	\$80,000.00	\$0.00	Cattle Handling
754	Ballard	River Hills Cattleman's Assoc.	\$21,561.18	\$0.00	Cattle Handling
507	Carroll	Carroll County Agriculture Dev. Fund, Inc. - Handling	\$49,000.00	\$0.00	Cattle Handling

Appl .	County	Project Name	CountyFunds	StateFunds	ProgramorDescription
850	Grayson	Grayson Co. Cattlemen's Association	\$50,000.00	\$0.00	Cattle Handling
764	Hart	Hart Co. Cattlemen - Amendment	\$100,000.00	\$0.00	Cattle Handling
723	Lewis	Buffalo Trace Area Development District-Handling	\$27,500.00	\$0.00	Cattle Handling
629	Logan	Logan County Cattlemen's Assoc.	\$60,000.00	\$0.00	Cattle Handling
744	Owen	Owen Co. Cattle Handling Facilities Program	\$10,600.00	\$0.00	Cattle Handling
718	Pendleton	Pendleton County Farm Bureau	\$125,000.00	\$0.00	Cattle Handling
749	Rockcastle	Southern Ky. Ag. Development	\$125,000.00	\$0.00	Cattle Handling
768	Scott	Scott County Beef Improvement Assoc.-Handling	\$157,440.00	\$0.00	Cattle Handling
865	Todd	Todd Co. Cattlemen's Association-Handling	\$50,800.00	\$0.00	Cattle Handling
714	Warren	Warren County Cattle Producer's Association Inc.	\$150,000.00	\$0.00	Cattle Handling
715	Wolfe	Wolfe County Conservation District	\$50,000.00	\$0.00	Cattle Handling
772	Woodford	Woodford County Beef Cattle Association	\$234,000.00	\$0.00	Cattle Handling
			\$1,290,901.18	\$0.00	Cattle Handling Total

Ms. Brown moved with a second from Sam Lawson that the Board adopt the Committee's recommendation. The motion passed without objection.

Agricultural Diversification Program

Appl .	County	Project Name	CountyFunds	StateFunds	ProgramorDescription
719	Campbell	Campbell County Farm Bureau	\$8,500.00	\$0.00	Diversification
756	Logan	Logan County Farm Bureau Board	\$50,000.00	\$0.00	Diversification
743	Owen	Owen County Ag. Diversification Program	\$212,000.00	\$0.00	Diversification
770	Scott	Scott County Beef Improvement Assoc.-Ag. Diversification	\$157,440.00	\$0.00	Diversification

			\$427,940.00	\$0.00	Diversification Total
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Sam Lawson moved with a second from Sam Moore that the Board adopt the Committee's recommendation. The motion passed without objection.

Forage Improvement Program

Appl .	County	Project Name	CountyFunds	StateFunds	ProgramorDescription
753	Ballard	River Hills Cattleman's Assoc.	\$53,902.95	\$0.00	Forage
835	Estill	Estill County Conservation District	\$157,700.00	\$0.00	Forage
759	Jackson	Jackson Co. Cattleman's Association	\$51,500.00	\$0.00	Forage
783	Meade	Meade County Conservation District	\$52,500.00	\$0.00	Forage
737	Owsley	Owsley County Conservation District	\$103,000.00	\$0.00	Forage
751	Rockcastle	Southern Kentucky Agriculture Development	\$200,000.00	\$0.00	Forage
769	Scott	Scott County Beef Improvement Assoc.- Forage	\$157,440.00	\$0.00	Forage
787	Todd	Todd County Conservation District	\$50,350.00	\$0.00	Forage
709	Warren	Warren County Conservation District	\$150,000.00	\$0.00	Forage
			\$976,392.95	\$0.00	Forage Total

Ms. Brown moved with a second from Sam Moore that the Board adopt the Committee's recommendation. The motion passed without objection.

Genetic Improvement Program

Appl .	County	Project Name	CountyFunds	StateFunds	ProgramorDescription
752	Ballard	River Hills Cattleman's Assoc.	\$32,841.77	\$0.00	Genetic Improvement
836	Estill	Estill County Cattlemen's Association, Inc.	\$33,030.00	\$0.00	Genetic Improvement
773	Fayette	County Cattlemen's Association	\$150,000.00	\$0.00	Genetic Improvement
755	Gallatin	Gallatin County Farm Bureau	\$26,250.00	\$0.00	Genetic Improvement
385	Lawrence	Lawrence Cty Ag. Advancement & Econ Council	\$22,300.00	\$0.00	Genetic Improvement

Appl .	County	Project Name	CountyFunds	StateFunds	ProgramorDescription
724	Lewis	Buffalo Trace Area Development District - Genetic Improvement	\$41,250.00	\$0.00	Genetic Improvement
555	Muhlenberg	Muhlenberg County Cattlemen's Association, Inc.	\$26,250.00	\$0.00	Genetic Improvement
742	Owen	Beef and Dairy Cattle Genetic Improvement Program	\$5,300.00	\$0.00	Genetic Improvement
789	Powell	Powell County Livestock Association	\$36,750.00	\$0.00	Genetic Improvement
750	Rockcastle	Southern Ky Ag Development	\$100,000.00	\$0.00	Genetic Improvement
			\$473,971.77	\$0.00	Genetic Improvement Total

Ms. Brown moved with a second from Larry Clay that the Board adopt the Committee's recommendation. The motion passed without objection.

Goat Diversification Program

Appl .	County	Project Name	CountyFunds	StateFunds	ProgramorDescription
740	Owsley	Eastern Kentucky Goat Producers Association	\$15,450.00	\$0.00	Goat Diversification
717	Wolfe	Wolfe County Conservation District	\$25,000.00	\$0.00	Goat Diversification
			\$40,450.00	\$0.00	Goat Diversification Total

Ms. Brown moved with a second from Willa Poynter that the Board adopt the Committee's recommendation. The motion passed without objection.

Projects Recommended for Funding:

Project #577 Elmwood Stock Farm

State Funds: \$138,100.00

Scott County Funds: \$5,000.00

Ms. Brown moved with a second from Eddie Sellers that the Board adopt the Committee's recommendation. The motion passed by voice vote.

Project #661 Marion County Conservation District

State Funds: \$0.00

Marion County Funds: \$35,500.00

Ms. Brown moved with a second from Eddie Sellers that the Board adopt the Committee's recommendation. The motion passed without objection.

Project #710 Warren County Cattle Producer's Association, Inc.

State Funds: \$0.00 Warren County Funds: \$20,200.00

Ms. Brown moved with a second from Eddie Sellers that the Board adopt the Committee's recommendation. Commissioner Smith abstained. The motion passed without objection.

Project #731 Gallatin County High School

State Funds: \$0.00 Gallatin County Funds: \$30,200.00

Ms. Brown moved with a second from Eddie Sellers that the Board adopt the Committee's recommendation. The motion passed without objection.

Project #418 Mammoth Cave RC &D Council

State Funds: \$0.00 Logan County Funds: \$37,000.00

Mr. Lawson moved with a second from Willa Poynter that the Board adopt the Committee's recommendation. The motion passed without objection.

Project #648 Grant County High School Agriculture Department

State Funds: \$0.00 Grant County Funds: \$70,000.00

Mr. Lawson moved with a second from Larry Clay that the Board adopt the Committee's recommendation. The motion passed without objection.

Project #746 Owsley County Conservation District

State Funds: \$0.00 Owsley County Funds: \$30,625.00

Mr. Lawson asked that the members delete "4 bay shed" from the Project Summary and moved with a second from Mike Slaughter that the Board adopt the Committee's recommendation. The motion passed without objection.

Project #760 Jackson County Cattle Association

State Funds: \$0.00 Jackson County Funds: \$2,000.00

Mr. Lawson moved with a second from Larry Clay that the Board adopt the Committee's recommendation. The motion passed without objection.

Project #765 Livingston County Conservation District

State Funds: \$0.00

Livingston County Funds: \$2,000.00

Mr. Lawson moved with a second from Larry Clay that the Board adopt the Committee's recommendation. The motion passed without objection.

Project #774 Kentucky Soybean Association

State Funds: \$15,000.00

County Funds: \$0.00

Mr. Lawson moved with a second from Larry Clay that the Board adopt the Committee's recommendation. The motion passed without objection.

Amendments:

The Green River Produce Marketing Coop submitted an amended budget to the Board for approval. The Coop requested reallocation of funds from the budget that was originally approved by the board. The funds were budgeted for the purchase of land that is no longer available for purchase. The Coop requested that the funds be reallocated to an operating loan leaving a balance of \$30,000. The Coop asked that the \$30,000 be left in their account to be used at a later date for an undetermined purpose.

Sam Lawson moved with a second from Larry Clay to approve the amended budget.

Vicky Yates Brown asked if the \$30,000 should be returned to the Agricultural Development Fund.

Jeff Mosley advised that the legal agreement with Green River Coop would have to be amended.

There was general discussion about the remaining \$30,000 balance. Some members maintained that the funds should stay with the Coop giving them flexibility to spend the funds as needed; however, others were concerned that this would set a precedent encouraging applicants to request more funds than they need in order to have a cushion.

Sam Lawson moved with a second from Vicky Yates Brown to amend the wording to reflect that the \$30,000 be unencumbered and returned to the Agricultural Development Fund. The amendment passed by voice vote.

The motion as amended passed by voice vote.

Applications Recommended for No Funding:

Mr. Lawson stated that the Project Review Committee recommended no funding for the following projects:

<i>App #</i>	<i>Project Name</i>	<i>Application County</i>
69	Jackson Purchase RC&D	State
106	Dairy Goat Products Co-Op of KY, Inc.	State
140	Richard Young (Lincoln)	Lincoln
210	Limestone Economic Devel., Inc.	State
211	Longview Nursery*	Harrison
277	Morgan County Fair Board	Morgan
339	Curtis & Margaret Robinson	Logan
711	Hidden Hills Farm	Shelby
716	Dairy Goat Products Coop. Of Ky., Inc.	Casey
728	Dairy Goat Products Co-Op Of Ky Inc.	Russell
729	Bath County Conservation District	Bath
732	Northern Ky Area Ag. Advancement	State
733	Northern Kentucky Ag. Council	Owen
734	Hale Dairy	Washington
735	Bluegrass Grape & Wine Association	Washington
739	Andy Rice	State
745	Boone-Sang Cooperative Assoc. Inc.	Powell
761	Kenmyers Inc	Robertson
763	Independent Cattle Producers	Hart
767	Kentucky's Farm to Table Partners	State
771	Jackson County Board Of Education	Jackson
776	Kentucky's Farm to Table Partners	Fleming
777	Kentucky's Farm to Table Partners	Harrison
778	Kentucky's Farm to Table Partners	Nicholas
779	Kentucky's Farm to Table Partners	Pendleton
780	Kentucky's Farm to Table Partners	Robertson

Commissioner Smith moved with a second from Mike Slaughter to move projects numbered 106; 716; and 728 be removed from no funding status to pending status. The amendment passed by voice vote.

Mr. Lawson moved with a second from Willa Poynter that the no funding recommendation be approved as amended.

John-Mark Hack called the members attention to a handout entitled *North Carolina Tobacco Settlement Investments in Agriculture*. This document reflects the projects that North Carolina has approved to date. He stated that this information was for information only and that the members may be interested in comparing the types/quality of the projects approved by the North Carolina board vs. the Kentucky ADB.

Commissioner Smith advised that research by the Capital Access Committee into the Link Deposit and Kentucky Ag Finance Corporation revealed that statutory changes might be necessary. The committee will continue the research.

With no further business the meeting adjourned at 1:50PM.